

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6449**

**BILL NUMBER:** SB 347

**NOTE PREPARED:** Dec 4, 2005

**BILL AMENDED:**

**SUBJECT:** Disclosure of Additives in Motor Fuel.

**FIRST AUTHOR:** Sen. Meeks

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill: (1) requires the seller of motor fuel containing additives to post a notice on each metered pump that includes information concerning the: (A) name of each additive; and (B) percentage (to the nearest whole percent), by volume, of each additive; (2) allows the State Department of Health (SDOH) to adopt rules for inspecting and enforcing the notice requirements; and (3) makes the failure to comply with the notice requirements a Class A infraction.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** Allowing the SDOH to adopt rules will have no fiscal impact. Inspecting and enforcing notice requirements may have a minimal fiscal impact if the new function is combined with the on-going inspection of metered pumps. If this is not case, expenditures may increase significantly. The fund affected is the Motor Fuel Inspection Program account.

**Background Information:** Currently, the SDOH's Division of Weights and Measures inspects metered fuel pumps as part of the Motor Fuel Octane Inspection Program, enacted in 1991 to insure that motor fuels are accurately labeled for octane rating. There are 3,220 retail gasoline stations in the state, and they are required to pay an annual \$50 registration fee. The revenue from the \$50 fee is deposited into the Motor Fuel Inspection Program account. This revenue supports the Division's Octane Inspection Program. Revenue from this program for the last three fiscal years has averaged approximately \$136,000 per year.

In FY 2004, the Division inspected 82,585 metered pumps, and in FY 2005 the Division inspected 74,940 metered pumps. Presumably, the newly required inspection and enforcement will be accomplished at the same time that the metered fuel pumps are inspected for octane accuracy. If this is the situation, any expenditures

associated with this proposal will be lessened since the inspectors will be on-site.

Expenditures for the Division have averaged approximately \$62,000 per year for the last three fiscal years. The Division's activities extend beyond inspection of metered pumps and include testing of weighing and measuring devices, inspection of commodities, and the staffing of a metrology laboratory.

**Explanation of State Revenues:** *Penalty Provision:* Failure to comply with the notice requirements of this bill can result in a Class A infraction. If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class A infraction is \$10,000, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** State Department of Health.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Annual reports for the Division of Weights and Measures and expenditure data from the Division.

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